

MEMORANDUM FOR: Director of Central Intelligence  
FROM: Deputy Director of Central Intelligence  
SUBJECT: External Training

-1. Your memorandum of 26 April raises several salient questions concerning how best to use external training in order to make the Agency more effective in its management and in the quality of its intelligence product.

2. I agree that Agency people frequently refer to what they perceive as poor personnel management in CIA and to the need for management training. These concerns, I believe, rest largely on two bases. One is the slow down in promotions during the past several years which should be overcome in large part by encouraging a flow through of personnel under more vigorous selection out procedures. The other derives from what is a genuine lack of knowledge ~~throughout the Agency~~ as to what CIA personnel management is in fact. Those of us who have served in other government agencies realize that, contrary to the perception of Agency rank and file, CIA's personnel management systems and their application are in ~~many~~ <sup>most</sup> respects superior to the general practices elsewhere in the federal government. Quite frankly, I think we should

make a greater effort to bring Agency personnel to a more objective understanding and appreciation in this area.

3. That there appears to be a misperception of how Agency personnel are managed in no way, however, reduces the need to continue to improve our managerial practices. One major input must be from training. In order to <sup>(reach sufficient number to make)</sup> secure any significant impact from training, the major contribution probably will have to come from internal training courses conducted by the Office of Training (OTR) and not from sending personnel to external management courses. In line with your concern of several weeks ago concerning instruction on performance evaluation, the Office of Training is <sup>OTR</sup> increasing training <sup>on evaluating performance and preparing fitness reports</sup> in this area. Training in how to counsel employees is also being expanded. For FY 1979 the Directorates have levied requirements on OTR for almost 3,000 registrations in management and personnel development courses. The Office will do its utmost to meet these requirements.

4. As for management courses conducted by business schools and other academic institutions, the Agency's experience is that they are not a good investment of our external training funds. These courses concentrate heavily on business practices and problems, and <sup>only to a limited extent</sup> not on subjects which are applicable to Agency management issues, including personnel management. Thus, the criticism in the S&I report directed

Also, they are very expensive.

<sup>(strategy)</sup>  
such as marketing management, cash flow, buyer behavior, advertising and promotion, and pricing.

at CIA use of external training at business schools and executive development courses has not been particularly harmful. In contrast, the reduction in academic training in substantive fields as a consequence of the budget reduction in FY 1978 has been of severe concern, particularly to NFAC.

5. ~~in contrast~~ NFAC management is exerting a serious effort to make their intelligence analysts more effective. Most recently, NFAC and OTR collaborated on a pilot running of a new Seminar <sup>on</sup> ~~of~~ Intelligence Analysts (SIA) which brought together two fairly experienced analysts from each of the seven production offices to work on specific subject areas, examining <sup>e</sup> sources of bias <sup>in</sup> and analysis, reduce office and disciplinary boundaries, and train ~~them~~ in team research processes. On the academic front 15 to 20 NFAC officers are <sup>annually</sup> ~~being~~ sponsored in full-time training of a semester or more and about 10 ~~are~~ in full-time training on a leave-without-pay basis. NFAC is also <sup>currently</sup> engaged in developing an Advanced Analyst Training Program (AATP) in which carefully selected analysts of high potential who have shown skill <sup>in</sup> and analysis <sup>and</sup> ~~in~~ writing would receive training for two years. The first year would involve area training, including <sup>(needed)</sup> foreign language instruction, ~~if needed~~, at a university with a strong inter-disciplinary approach to

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~~to~~ area studies.

7. In summary, in examining what the Agency is currently doing, <sup>to</sup> both in internal and external training in the management area and in strengthening the capability of intelligence analysts, I conclude that we have a reasonably well-balanced and wide-ranging program. The FY 1979 <sup>(TRAINING)</sup> budget, <sup>new</sup> *(while a bit tight)* appears to be adequate, and while minor adjustments might be necessary, CIA is fairly well off with respect to training opportunities for its personnel.

Frank C. Carlucci

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